

CONFERENCE ON
MEXICAN PEACE
COMING TODAY

Plans for Meeting of Representatives of Six Latin-American Diplomats and State Department Completed

MORE TROOPS
SENT TO BORDER

Unusual Activity in the Army and Navy Departments Making Ready for Any Service Demanded

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, Aug. 4.—Plans for tomorrow's conference of the state department on the Mexican problem were completed after Secretary Lansing talked with the president at Cornish over the telephone. The proposals that will be made to the six Latin-American diplomats whose governments authorized them to co-operate with the United States to end Mexico's civil war, completed after Secretary Lansing maintained silence as to the program outlined.

Unusual activity in the war and navy departments was evident, and an order from Gen. Scott, chief of staff, directed a battery of the Fifth field artillery to proceed from Fort. Sill, Oklahoma to El Paso, aroused considerable surprise.

At the war department it was stated the artillery had been ordered at the request of the state department. Secretary Lansing said he knew nothing about it, but the action was prompted by a desire to have the Mexican border well guarded particularly in view of the recent kidnappings at different points. Mr. Lansing conferred with Paul Fuller, one of the president's confidential advisers on the Mexican affairs who will participate in tomorrow's conference. Fuller recently talked personally with all the faction leaders in Mexico, observing the situation for the president.

No official information concerning the reported bombardment of the Mexican border town of Nogales was received. Carranza has assured the state department that he would not permit the attack and officials were at a loss to explain the reported action of Calles, whose guns are said to have opened fire on the town. General Funston, commanding all border troops, has standing orders to reply to the fire of the Mexicans by the fire of the American territory. Officials believe he will act promptly if necessary, to protect American lives and property.

Army officials said a general assault on the Mexican town could not avoid endangering those on the American side of the border. Even should General Funston be compelled to open fire, it was stated, the plans for tomorrow's conference will be carried out. Ordering fresh troops to the border is generally regarded as a part of the administration's determination to restore order in Mexico.

Although administration officials have given no hint of what will follow the conference, the army and navy have been preparing for any service it may be called upon to render. Secretary Lansing conferred at length yesterday with Secretary Daniels before the latter's departure for Asheville, N. C. The purpose of the conference was not disclosed.

The first step to be proposed tomorrow will be the issuance of a final appeal to the leaders of the fighting factions, and it is believed, the refusal of any leaders to join the peace conference will be followed by an arms embargo against that faction. It will require military activity to enforce such an embargo, some officials believe, even if actual intervention is not contemplated. That the general plan includes the scheme of the selection of a president for Mexico entitled to office by the constitutionalist's successes has been agreed. Vasquez Tagle, minister of justice in Madero's cabinet, the only living member of the cabinet who did not resign is the most frequently mentioned. Carranza is known to be opposed to Tagle, and it was feared might decline to enter a conference that contemplated his elevation to the presidency.

Mexican Bandits Believed
Still On American Side

[ASSOCIATED PRESS DISPATCH]

BROWNVILLE, August 4.—Evidence that the Mexican bandits who were terrorizing this section several weeks ago had not crossed into Mexico, although they escaped the cavalrymen, were in an attack on a St. Louis, Brownsville, Mexico Railway work train north of here. In the attack, near the railway a bridge was burned and telegraphic and telephone lines cut last night.

The destroyed bridge was about thirty miles north of Brownsville and the

INSISTS NO VIOLATION
OF TREATY RIGHTS IN
SINKING OF THE FRYEPROTEST AGAINST
MUNITIONS TRAFFIC

SAN FRANCISCO, Aug. 4.—A resolution protesting traffic in war materials between the United States and enemies of Germany was adopted at the convention of the German-American Alliance of the United States, but in doing so the delegates unanimously rejected a proposed open letter to the president as improper and too drastic in language. The convention closed its business sessions after disposing of a large volume of business, re-electing incumbent officers with one minor exception and choosing Milwaukee for the 1917 convention city. The protest against war supplies was drawn in the name of two and one-half million members of the alliance as loyal American citizens.

SOME GOODS ARE
FINDING WAY TO
TEUTON ALLIES

State Department Figures Show Some Exports to Holland and Scandinavia Are Reaching Germany and Austria

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, Aug. 4.—Elaborate statistics assembled by the state department to refute the British assumption of increased exportations by the United States to Holland and the Scandinavian countries indicate that some of these goods are finding their way to Germany and Austria. The figures are to be included in the preliminary draft being prepared for the president in reply to three British notes made public yesterday.

A study of trade conditions between the United States and neutral European countries has been made by the state department and the investigation of the Scandinavian and Dutch trade by the department of commerce. The report from Consul General Skinner at London was also received on foreign trade of Great Britain for the six months ending June 30. It shows exports to the Scandinavian countries and Holland have increased since the war began along the same lines as American exports to those countries. The state department will contend that it can be no more than an assumption that American goods are going to these neutral countries bound for Germany than the British goods exported there will reach Great Britain's enemies.

The London report showed that while Great Britain's exports decreased materially the first six months of 1915 as compared with the same period of 1914, the imports increased. The re-exports during June, the first month the British order-in-council was fully effective, showed an increase of \$2,094,828.

In cotton, one of the much disputed articles in trade, Great Britain's imports increased by 1,214,592 cents of 112 pounds each, of re-

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NOGALES IS ATTACKED BY
CALLES-CARRANZA FORCES

[ASSOCIATED PRESS DISPATCH]

NOGALES, August 4.—After defeating the major portion of General Maytorena's Villa army at Mascarena's ranch ten miles south, Carranza forces under General Calles began an attack on the town. American troops lined the border to repel the invasion of the American side.

Shortly before noon the Calles cavalry appeared at the head of the posse three miles from here and Maytorena was caught with only 300 infantry and 200 cavalry in town and the rest of the garrison at Mascarena's ranch. These hurried out of town and piles of rock were hastily thrown up on the hills. Villa forces opened fire with machine guns and made the Carranza vanguard recoil. Calles then brought up his machine guns and a Hotchkiss field gun on the hill, forcing Villistas to the border.

Americans lined the hills to watch the fighting. An American regiment of infantry and two troops of cavalry with a machine gun platoon lined the border, the soldiers saying they had orders to north firing on the Mexicans the moment bullets fell on the American side. An occasional bullet did fly to this side, but not in the vicinity of the town.

After five hours' fighting the Calles forces retired at sundown before the stubborn resistance of the Maytorena defenders of Nogales. The Carranza army was believed to be four miles beyond the city where fortifications were being built.

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Germany is Unyielding In Refusal to Concede Sinking of American Sailing Ship Violated Prussian American Treaty

STILL MAINTAINS
WAS JUSTIFIED

Declares Against Willingness to Pay for Ship But Accepts Proposal That Amount of Damages Be Fixed by Two Experts

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, Aug. 4.—Germany is unyielding in its refusal to concede that the sinking of the American sailing ship William P. Frye by the auxiliary cruiser Prinz Eitel Friedrich in the South Atlantic last January was a violation of American rights under the Prussian-American treaty or international law. In reply to the last representations of the United States, the German foreign office, in a note made public tonight by the state department, reiterates previous justification of Germany's course, declares against a willingness to pay for the ship, and accepts the proposal first advanced by the United States—that the amount of damages be fixed by two experts, one to be selected by each country.

Such a sum the German government pledges to pay promptly with the stipulation, however, that the payment will not be viewed as satisfaction for the violation of American rights. Should that method be unsatisfactory, Germany invites the United States to arbitration at The Hague.

An unofficial view here is that reparation by a commission of experts probably would be satisfactory to the United States with the express provision, however, that it would not waive treaty rights for which the American government contends, but applies only to the matter of damages. It is practically certain that the United States allows the dispute to go to The Hague for interpretation of the treaty provision or continues an academic discussion of the principles through channels of diplomacy, it will insist that in the meanwhile Germany refrain from violation of what the United States contends are its rights.

The entire dispute revolves about Article Thirteen of the Prussian-American treaty of 1795, which was revised and included in the treaty of 1828. That article, the United States contends, specifically protected the Frye from being sunk, although it did not protect a contraband cargo. Germany takes precisely the opposite view, contending the article only obligates her to pay damages. Furthermore Germany replies that as the Frye's cargo of wheat destined to England was contraband, the ship was liable to confiscation and that as an attempt to take the prize into a German port would have imperiled the captor, the destruction of the Frye "was according to general principles of international law."

"The right of sinking," says the German note, "is not mentioned in the treaty therefore it is neither expressly permitted nor expressly prohibited, so on this point party stipulations must be supplemented by general rules of international law. It is not disputed that the American government that according to general principles of international law a belligerent is authorized in sinking a neutral vessel under almost any conditions for carrying contraband."

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TWENTY SEVEN
KNOWN VICTIMS
OF ERIE FLOOD

Vast Amount of Wreckage Piled One Hundred Feet High Is Believed to Conceal Bodies of Many Others

MILITIA TO AID
OF THE POLICE

First Estimate of Damage Amounting to \$3,000,000 Is Not Changed When Reports Are Received from Over the City

[ASSOCIATED PRESS DISPATCH]

ERIE, Aug. 4.—Erie listed 27 dead tonight in a mile-long wreckage path through the heart of the city, swept by last night's flood. Little impression was made on the vast amount of wreckage piled one hundred feet high in places, and believed to conceal many more victims.

The work of recovery will be slow and it may take a week to turn over the debris. An early estimate of \$3,000,000 property loss was not changed by Fire Chief McMahon, after he received reports from the big manufacturing plants in the flood zone. He said that three hundred houses and fifty stores were demolished.

Tonight there was a semblance of normal conditions in the city which last night was in the grasp of the most destructive rainstorm in the memory of the oldest inhabitants.

The Lake Shore railway at noon resumed through passenger service between New York and Chicago, although five trains stalled at the outskirts of the city since last night's flood. The light and power plants resumed operations, but telephone and telegraph communication was still subject to delay. Three morgues in widely separated sections of the flood zone were besieged by thousands throughout the day.

The city went into mourning when it was made a full realization of the extent of the disaster. All department stores and business houses on State street closed and the people opened their hearts and purses to the flood sufferers. Relief funds were started, charitable societies opened their doors for those who had lost their homes. Mayor Egan issued a proclamation calling on the people to show generosity in what he described the worst disaster in the city's history.

Great throngs crowded the banks of the ravine throughout the day. The city extended from Twenty-sixth street down to the bay, a mile below, where it spent its fury in Lake Erie.

There were many freaks of the flood. An automobile was resting on tree tops, apparently undamaged, and a house was found cast upon a hillside with the walls of the dining room missing and the table undisturbed. But the power of the water's onrush, with the mass of floating logs and debris ahead, perhaps was best shown where the heavy stone culverts many feet high were carried down the city block down the ravine.

The local company of the Sixteenth Infantry was brought to the scene to help the police and firemen who were working in the debris, were assisted by a civilian volunteer corps. Twenty arrests were made in the flood area tonight, two for looting and others for disorderly conduct. To guard against fires the gas supply was turned off.

Inspectors of the local health department are co-operating with the state health inspectors from Harrisburg to prevent an outbreak of disease in the devastated district.

Organized Labor
To Investigate
Boat Disaster

[ASSOCIATED PRESS DISPATCH]

CHICAGO, August 4.—Samuel Compers, president of the American Federation of Labor viewed the hull of the steamer Eastland and announced an independent investigation of the catastrophe.

Compers said that no definite plans for the labor inquiry had been made but was of the opinion it would be merely punitive but preventive of a repetition of similar accidents. Secretary of Commerce Redfield decided to continue the hearing before the Steamboat Inspection Board instead of returning to Washington at once. The federal grand jury heard several witnesses but did not indicate when it would report.

HEAVY ITALIAN LOSSES

[ASSOCIATED PRESS DISPATCH]

BUDAPEST, Aug. 4.—Austrian military authorities estimate the Italian losses during the first six weeks of the war at 100,000 men, including 17,000 prisoners.

COURT SUSTAINS VETO
OF GOVERNOR--ORDERS
AUDITOR TO PAY CLAIMS

Judge Stanford Has Down Decision in Appropriations Case Overruling Denunciations and Granting Writ of Mandamus

QUESTION OF APPEAL
IS NOT YET DECIDED

State Auditor Considering Matter—Equalization Board Confronted With Problem of Which Tax Levy to Adopt

Sustaining the governor's veto of the general appropriation bill, the superior court yesterday over-ruled the denunciations to the complaint and granted the application of Jesse Boyce for an abatement of claims by State Auditor Callaghan. Announcement of his decision was made informally by Judge Stanford, and the full text of the decision was not available until last evening.

Whether the case will be taken up to the supreme court on appeal was the question considered at a conference between the state auditor and his attorneys last night. The draft of the decision was not in his hands until early in the evening, and until he had read it and conferred with counsel, Auditor Callaghan had no statement to make as to whether an appeal would be taken. At a late hour last night no decision had been reached in the matter of an appeal. Some analysis had been made of the decision, but as that paper had not yet been officially signed, and there were several minor changes to be made, it was considered that any announcement of the course to be taken would be premature.

The general and special denunciations of defendant to complaint and application for alternative writ of mandamus were overruled, and the motion to quash the alternative writ was denied. The court granted a motion to make the alternative writ absolute, and for judgment in accordance with the prayer of the complaint.

The judgment was prepared in a manner so as to apply the ruling of the court to each of the items, payment of which was demanded by Jesse L. Boyce, and refused by the auditor. The effect of the decision is to entirely sustain, with one exception, the veto of the governor.

The legislature attempted to create a deficiency fund for the payment of deficits incurred by the State Fair Commission. The refusal of the auditor of payment of demand of \$3500.00 was upheld, on the ground that the legislature had no right to make such an appropriation, because of the provisions of Section 4542 Revised Statutes of Arizona 1913, civil code, which was unaffected by the appropriation bill. The commission, the court held, has no right to incur indebtedness in excess of \$15,000 in any one year, and it is provided that any indebtedness in excess of this amount should be void as to the state. It was suggested by the court that this deficit could be paid only by an appropriation made in a special bill for that purpose.

As to such money as was appropriated, where the appropriation was vetoed by the governor, the appropriation made in the general statute will take its place. If no money shall be in the particular fund, the auditor is directed by the judgment to audit and allow the claim and issue his certificate therefor, which becomes a claim against the state to be paid by subsequent appropriation by the legislature.

Section 51, of the appropriation bill

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SAY GERMAN PRISONERS'
MAIL IS TAMPERED WITH

[ASSOCIATED PRESS DISPATCH]

BERLIN, Aug. 4.—Because letters received from German prisoners of war in France apparently have been tampered with—by the French censor it is charged—the authorities have found it necessary to issue a warning against including any information of a military character in communications from relatives to prisoners.

A recent letter from a prisoner contained the surprising request to his relatives to write him all they could about the war. An examination of the writing showed, however, that the prisoner of war had written exactly the opposite, and that his handwriting had been imitated in changing his injunction.

Similarly, he had written that letters to him should be sent unopened. This injunction too had been altered to read that his relatives might send their letters, conveying the impression, along with the request for war news, that he was in a position to receive uncensored communications.

The German authorities declare they are convinced that it was the intention of the French government to secure, in this manner, military news of

RUNAWAY OIL TANK
SETS TRAIN AFIRE

SAN ANA, August 4.—Dashing down grade at terrific speed a runaway tank car loaded with crude oil which broke from a train in the Olinda fields, crashed into a Santa Fe local from San Bernardino at Richfield. The tank burst and flames of oil was scattered over the train. All coaches took fire and were destroyed. C. A. Phillips, express messenger, was crushed and burned to death; J. W. Benton, the engineer, was seriously injured, and H. R. Smith, fireman, was seriously injured. Sixteen passengers sustained more or less severe injuries and burns. The bodies of Phillips, Benton and Smith were so covered with oil as to be unrecognizable when removed. Benton was believed dead at the time.

DACIA IS FAIR
PRIZE OPINION
FRENCH COURT

Announcement from Paris That Seizure of American Steamer Is Confirmed Finds State Department Ready to Protest

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, August 4.—An announcement from Paris that the French prize court confirmed the seizure of the American steamer Dacia as a fair prize found the state department preparing to protest the decision which carries with it the forfeiture of the vessel. It is claimed to make this a test case for the right of a neutral country to grant registry to a belligerent owned merchant ship. The Dacia's cotton cargo is not involved.

The issue in the Dacia case is the right of the United States government to permit registry under its flag of a vessel formerly owned by the Hamburg American Steamship company, a German corporation, but declared to have been sold to an American citizen, Great Britain and France had agreed not to detain the steamer.

FOR NATIONAL DEFENSE

[ASSOCIATED PRESS DISPATCH]

CORNISH, Aug. 4.—The president in planning to make national defense one of the principal subjects of his next message to congress. While he will not decide finally on the policy he will ask Congress to approve until after it has received reports from Secretaries Garrison and Daniels, it became known he has already given much preliminary thought to the question. The president received letters today from Secretaries Garrison and Daniels but nothing was given out concerning their contents. He has planned to receive formal reports from the two secretaries when he returns to Washington.

ENGLAND WANTS MEN

[ASSOCIATED PRESS DISPATCH]

CHICAGO, Aug. 4.—There is an advertisement in the papers offering employment to mechanics by the government of England. The men are offered free transportation both ways and a six months contract.

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THREE WEEKS
SEES DECISIVE
BATTLE NOW ON

Berlin Claims Russians Have Been Driven Back to Outer Lines of Warsaw Which Bavarians Are Now Attacking

VON MACKENSEN IS
SLOWLY ADVANCING

Is Making Effort Between Vistula and Bug to Cut off Russians Who Are Apparently Making Leisurely Exit

[ASSOCIATED PRESS DISPATCH]

LONDON, Aug. 4.—After having tried for three weeks to force the Russians to evacuate Warsaw, the Polish salient, by encircling movements from the north and pressure from the west, the Austro-Germans commenced attacks on the fortresses of the capital, and those of Lomza, and Ostrolenka to the northeast, and Ivanograd to the southeast. Berlin claims tonight the Russian driven back to advanced positions at Lomza and Narow crossed near Ostrolenka, and that driven out of their thimble position the Russians have fallen back into the outer lines of Warsaw, which the Bavarians are attacking and that the Austrians captured the western part of the fortress of Ivanograd. Thus what should prove a decisive battle for the Polish capital has begun in earnest, with no changes reported at other fronts.

In the meantime Von Mackensen is slowly advancing from the southeast between the Vistula and Bug in an effort to cut off the Russian armies which apparently are making a leisurely exit from Warsaw and the western lines, while Von Hindenburg in his drive encircling movement through Courland reached Kapsel, some fifty miles west of Dvinsk, on the Vinn-Petrograd railway.

Although the operations of Von Mackensen and Von Hindenburg appear to offer most dangerous threats to the retreating Russian armies, the Russian general staff is paying more attention to Von Hindenburg who has been trying with more or less success to force the line of Narow. Here the Russians are offering most stubborn resistance and according to an official Petrograd dispatch in two battles of three days each succeeded in inflicting heavy losses. The Russians also admit severe casualties.

When the dispatch was sent a third battle was in progress. Berlin claims in this battle the Germans were successful and forced the crossing of the Narow. On the whole the Russians as far as gathered from official reports are making an extremely orderly retreat. Some of the greatest importance is anticipated from the near east. The ministers of Great Britain, France, Russia and Italy had a conference with the Greek government. A dispatch from Paris says an Italian officer recently arrived at British headquarters in the Mediterranean to arrange for this.

Admits Retirement

PETROGRAD, Aug. 4.—An official statement from general headquarters admits the Russians have retired from the Blonides Nodaryon line on Warsaw.

SWISS EXPORTS DECREASE

[ASSOCIATED PRESS DISPATCH]

BERNE, Aug. 4.—The effect of war on the trade of Switzerland is shown by the figures of imports and exports for the year 1914. Reports decreased by \$88,000,000 and exports decreased \$28,000,000. The exports of watches alone show a loss of \$10,000,000 compared with 1912, while machinery sold abroad was \$5,000,000 less, and cotton goods \$10,000,000. Imports for 1914 were \$284,000,000; for 1913, \$295,000,000. Exports for 1913 were \$276,000,000; for 1914, \$237,000,000.

WEATHER TODAY

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, D. C., Aug. 4.—For Arizona: Showers in the East portion.

President Closely Watching
The Situation In Haiti

[ASSOCIATED PRESS DISPATCH]

WASHINGTON, Aug. 4.—The president is keeping close watch on the situation in Haiti. All advices are forwarded to Cornish as rapidly as they arrive. Advises from Rear Admiral Caperton indicated that the peace commission dispatched to Cape Haitien to persuade the revolutionists to disarm did not succeed. Although General Blot, government commander, is reported to have resigned his command and some of his troops disarmed, the revolutionary forces under General Bobo are said to have rejected the proposals. General Blot is reported to have

agreed to head a movement for the organization of a commission to manage the civil affairs of the public pending an election. With the arrival of the battleship Connecticut at Port Au Prince today Admiral Caperton has a maximum force of thirteen hundred available for use in an emergency. Secretary Lansing has spent several hours each day lately in conference with Americans familiar with Haiti. No political steps have been determined upon by this government and probably none will be planned until some form of government is established with which the United States can negotiate.